

May 6, 2005

Dear Authorized Financial Aid Officer/Representative:

**Subject: Mandatory Conversion to Electronic Funds Transfer for AmeriCorps' National Service Trust Payments**

Thank you for serving as a critical partner of the Corporation for National and Community Service (CNCS) and its AmeriCorps programs. As a federal agency, CNCS is required to comply with legislation requiring the use of Electronic Funds Transfer (EFT) rather than paper checks to disburse U.S. government funds. **To comply with this requirement, the National Service Trust has begun a mandatory conversion of all partner institutions to EFT. All institutions must be converted by June 30, 2005.**

As you may know, the National Service Trust (the Trust) is the CNCS department that administers educational awards to AmeriCorps members after they perform community service. These awards include the payment of interest accrued on student loans during members' terms of service and the payment of educational expenses or outstanding student loan balances. Although the Trust has paid awards through U.S. Treasury-issued paper checks in the past, we are required to convert all payees to EFT.

Many of our payee institutions already take advantage of EFT benefits. These institutions enjoy the immediate cash-flow benefits by having immediate access to funds when the Treasury transfers funds directly to their financial institutions. These payee institutions no longer worry about lost, stolen or delayed checks. With EFT, we can trace payments immediately and reduce the time you might spend reconstructing payment dispositions.

Converting to EFT and adopting one of the available remittance information tracking methods is a quick and easy process. Many of our partner institutions choose to take advantage of the U.S. Treasury's Payment Advice Internet Delivery (P.A.I.D.) program and others view EFT remittance payment data through reporting from their financial institutions. From a secure website, you can view specific information which the P.A.I.D. program provides regarding each electronic deposit that is made into your bank account. And it's all free. All you have to do is register with the program.

The Trust is ready to work with your office to begin conversion to EFT. For information on how to sign up to receive electronic payments you can access the AmeriCorps website at <http://www.americorps.org/members/resource/education/electronicpayments.html>.

We look forward to working with you as your institution converts to this prompt, efficient and reliable method for receiving payments.

Sincerely,

Ruben Wiley  
Manager, National Service Trust